

Subject	Governance Review	Status	For Publication
Report to	Local Pension Board	Date	23 rd July 2020
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To allow the Local Pension Board to consider the findings of the Governance Review undertaken by Hymans Robertson and make comments and/or recommendations for consideration by the Authority.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the contents of the Governance Review conducted by Hymans Robertson at Appendix A to this report.**
 - b. **Consider whether they wish to make any recommendations to the Authority in relation to the review**
 - c. **Consider their response to recommendations contained in the report specifically relating to the operation of the Board.**
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3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

Ensuring the Authority's governance arrangements are effective and acting to continuously improve them will positively impact on all the corporate objectives.

4 Implications for the Corporate Risk Register

- 4.1 While carrying out a review of this nature does not specifically address the corporate risk register some of the recommendations contained in the report address risks identified on the register for example in terms of the effectiveness of the Board and in relation to learning and development.

5 Background and Options

5.1 The LGPS Scheme Advisory Board published the Good Governance Review in July 2019 following a considerable degree of engagement between Hymans Robertson on behalf of the Board and stakeholders across LGPS. The Board adopted the conclusions of the review and while the work to implement these conclusions has been paused as a result of Covid-19 the Board will come back to the implementation process in due course.

5.2 One of the key changes which will emerge from the implementation of the recommendations of the Good Governance review is the introduction of biennial assessments of the standard of governance within each LGPS fund against a series of standards developed as a result of the Good Governance Review. In order to ensure that SYPA is ready for this challenge the Authority agreed to ask Hymans Robertson to undertake an initial review of governance. This work was carried out over the autumn of 2019 and first quarter of 2020 and was unfortunately disrupted by both the impact of the General Election on the Authority's meeting cycle and subsequently by the more general disruption arising from Covid-19. Hymans' report is attached at Appendix A.

5.3 In general Hymans conclude that the Authority is well placed to meet the challenges that will be posed by the implementation of the Good Governance Review. However, they do identify a number of areas for improvement:

- The absence of a specific objective around the funding level within the corporate objectives framework.
- Some detailed findings around the Constitution in terms of inconsistencies which have already been actioned in the review of the Constitution considered at the Annual Meeting of the Authority.
- The potential conflict arising from overlapping membership of the Board and the Authority.
- The need to review whether the arrangements for the statutory officer roles continue to be appropriate in the context of the way in which LGPS has developed and is likely to further develop.
- The need for a single learning and development framework for both Board and Authority members.

5.3 The majority of these areas are uncontroversial and will not necessitate major debate. However, those concerned with overlaps in membership between the Board and the Authority and the statutory officers are more fundamental and will require debate and in the case of the latter discussions with Barnsley MBC.

5.4 At this stage members of the Board are asked to provide their comments and any recommendations for consideration by the Authority when it considers this item in September.

6 Implications

6.1 The proposals outlined in this report have the following implications:

Financial	The costs of undertaking this review were met by a virement from underspends within the corporate costs budget during 2019/20.
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Human Resources	None arising directly from this report. The consideration of specific findings may give rise to human resources issues which will need to be considered at the time.
ICT	None
Legal	None arising directly from this report. The consideration of specific findings may give rise to legal issues which will need to be considered at the time.
Procurement	None, the work was awarded to Hymans Robertson using the National LGPS Framework for consultancy

George Graham

Director

Background Papers	
Document	Place of Inspection
Good Governance Review	http://www.lgpsboard.org/images/PDF/GGreport.pdf